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By: **Delegate D. Davis**  
Introduced and read first time: February 8, 2002  
Assigned to: Environmental Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Universal Service Program Fund - Retention**

3 FOR the purpose of authorizing the Public Service Commission to retain certain  
4 funds in the universal service program fund at the end of a certain date and  
5 make the funds available for disbursement through a certain date; requiring the  
6 Commission and the Department of Human Resources to report to certain  
7 persons on certain matters pertaining to the universal service program fund by  
8 a certain date; providing for the effective date and termination of this Act; and  
9 generally relating to the universal service program fund.

10 BY repealing and reenacting, with amendments,  
11 Article - Public Utility Companies  
12 Section 7-512.1(h)  
13 Annotated Code of Maryland  
14 (1998 Volume and 2001 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
16 MARYLAND, That the Laws of Maryland read as follows:

17 **Article - Public Utility Companies**

18 7-512.1.

19 (h) (1) In this subsection, "fund" means the universal service program fund.

20 (2) There is a universal service program fund.

21 (3) (i) 1. The Comptroller shall collect the revenue collected by  
22 electric companies under subsection (b) of this section and place the revenue into the  
23 fund.

24 2. The General Assembly may appropriate funds  
25 supplemental to the funds collected under sub-subparagraph 1 of this subparagraph.

26 (ii) The fund is a continuing, nonlapsing fund that is not subject to  
27 § 7-302 of the State Finance and Procurement Article.

1 (iii) The purpose of the fund is to assist electric customers as  
2 provided in subsection (a)(1) of this section.

3 (4) The Department of Human Resources, with oversight by the  
4 Commission, shall disburse the funds in accordance with the provisions of this  
5 section.

6 (5) In any year when there are unexpended funds, those funds shall be  
7 returned to the customer classes proportionate to how the customer classes paid into  
8 the fund.

9 (6) Notwithstanding paragraph (5) of this subsection, the Commission  
10 may retain any unexpended funds in the fund at the end of June 30, [2001] 2002 and  
11 make the funds available for disbursement through June 30, [2002] 2003 to electric  
12 customers who:

13 (i) qualify for assistance from the fund during fiscal year [2001]  
14 2002; and

15 (ii) apply for assistance from the fund before July 1, [2001] 2003.

16 SECTION 2. AND BE IT FURTHER ENACTED, That on or before October 1,  
17 2002, the Public Service Commission and the Department of Human Resources shall  
18 study and report to the Governor and, subject to § 2-1246 of the State Government  
19 Article, to the General Assembly, the Senate Finance Committee, and the House  
20 Environmental Matters Committee on:

21 (1) the level of participation in the universal service program during fiscal  
22 year 2002;

23 (2) the projected needs of the program for fiscal years 2003 and 2004;

24 (3) the amounts expended from the universal service program fund during  
25 fiscal year 2002;

26 (4) the amounts of surplus carried over in the universal service program fund  
27 from fiscal year 2002 to fiscal year 2003 under this Act;

28 (5) any difficulties that the Commission expects in complying with §  
29 7-512.1(h) of the Public Utility Companies Article at the end of fiscal year 2003; and

30 (6) recommendations for simplifying the process of reducing the universal  
31 service charge for customers when there are unexpended funds in the universal  
32 service program fund at the end of a fiscal year.

33 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
34 June 30, 2002. It shall remain effective for a period of 1 year and 1 day and, at the end  
35 of June 30, 2003, with no further action required by the General Assembly, this Act  
36 shall be abrogated and of no further force and effect.